



10903



**I Semester M.B.A. Examination, July 2022**  
**(CBCS Scheme)**  
**MANAGEMENT**  
**Paper – 1.3 : Accounting for Managers**

Time : 3 Hours

Max. Marks : 70

**SECTION – A**

Answer **any five** questions, each carries **5** marks.

**(5x5=25)**

1. What is the difference between Financial Accounting and Cost Accounting ?
2. Define AS-10.
3. Distinguish between traditional costing and target costing.
4. What is the Du-pont model ?
5. From the following figures calculate the Debtors Turnover Ratio and Creditor Turnover Ratio :  
Credit sales – 8,00,000  
Creditors – 90,000  
Bills Receivables – 45,000  
Bills payables – 50,000  
Credit purchase – 4,20,000  
Debtors – 55,000.
6. A company has fixed expenses of ₹ 90,000, with sale at ₹ 3,00,000 and a profit of ₹ 60,000. Calculate the P/V ratio. If in the next period, the company suffered a loss of ₹ 30,000, calculate the sales volume. What is the Margin of safety for a profit of ₹ 60,000 ?
7. List any 5 IFRS and explain in detail.

P.T.O.



## SECTION – B

Answer **any three** questions, **each** carries **10** marks.

**(10×3=30)**

8. Explain different types of budgets.
9. Prime stone company charges depreciation on plant and machinery under the reducing balance method at 15% per annum. On 1<sup>st</sup> April 2017, the balance in ledger stood at 4,60,000. Following particulars are given relating to plant machinery during the 4 years ended 31<sup>st</sup> March 2021.

Date

- 1-9-2017 A machinery purchase for ₹ 20,000 (installation expenses ₹ 1,000) on 1-5-2015 was fully destroyed in an accident.
- 1-7-2018 Purchase a new machine costing ₹ 50,000 (installation expenses ₹ 2,500). A sum of ₹ 30,000 was paid on the same date on the balance was paid in May 2019.
- 31-8-2019 Purchase a plant and machinery on 1<sup>st</sup> April 2017 for ₹ 30,000 (installation expenses ₹ 1,500) was disposed of for ₹ 36,000.
- 1-11-2020 Some old machinery (book value 1-4-2017 Rs. 10,000) were sold for ₹ 4,000.

Prepare plant and machinery account as would appear in the books of the company for the four years ended 31<sup>st</sup> March, 2022, assuming depreciation is charged proportionately even if the asset is sold or destroyed.

10. The expenses budgeted for the production of 10,000 units in a factory are furnished below :

	Per unit (Rs.)
Materials	70
Labour	25
Variable factory overhead	20
Fixed factory overheads (Rs. 1,00,000)	10
Variable expenses (Direct)	5
Selling expenses (10% fixed)	13
Distribution expenses (20% fixed)	7
Administration expenses (Fixed Rs. 50,000)	5
<b>Total</b>	<b>155</b>

You are required to prepare a budget for the production of 6000 units and 8000 units.

11. State the areas where the services of a forensic accountant are in great demand.



## SECTION – C

(15×1=15)

**Compulsory Question :**

12. From the following condensed comparative Balance Sheets of Bengal Traders Ltd. and additional information, prepare a cash flow statement for the year 2020.

<b>Liabilities</b>	<b>2019</b>	<b>2020</b>	<b>Assets</b>	<b>2019</b>	<b>2020</b>
Share capital	70,000	80,000	Plant and machinery	62,000	66,000
Share premium	9,000	11,000	Accumulation depreciation on plant and machinery	(37,000)	(26,200)
Retained earnings	23,820	30,820	Building	95,000	1,16,000
7% mortgage loan	–	20,000	Accumulation depreciation on building	(43,000)	(45,000)
Creditor's Outstanding salary	6,900	6,000	Land	10,000	12,000
Provision for taxation	2,000	1,400	Stock	10,220	9,620
	1,000	1,400	Debtors	8,600	7,600
			Prepaid expenses	720	800
			Cash	6,180	9,800
	<b>1,12,720</b>	<b>1,50,620</b>		<b>1,12,720</b>	<b>1,50,620</b>

**Additional Information :**

- 1) Plant costing ₹ 16,000 (accumulated depreciation ₹ 14,800) was sold during the year for ₹ 1,200.
- 2) Building was acquired during the year at a cost of rupees ₹ 21,000. In addition to a cash payment of ₹ 1,000, a 7% mortgage loan was raised for the balance.
- 3) A sum of ₹ 13,900 was transferred to the provision for taxation account in 2020.
- 4) Dividend of ₹ 8,000 was paid during the year.